

(3) The employee does not participate in the negotiation for the credit or indebtedness or serve as co-maker, endorser, or guarantor of the credit or indebtedness.

(c) *Disqualification requirement for credit sought by person related to an employee.* An employee shall disqualify himself or herself from participating in a particular matter involving specific parties as soon as he or she learns that any of the following persons are seeking, obtaining, or renegotiating credit or indebtedness with an entity that is or represents a party to the matter:

(1) The employee's spouse, domestic partner, or dependent child;

(2) A partnership in which the employee or the employee's spouse, domestic partner, or dependent child is a general partner;

(3) A partnership or closely held corporation in which the employee or the employee's spouse, domestic partner, or dependent child individually or jointly owns or controls more than a 10 percent equity interest;

(4) A trust in which the employee or the employee's spouse, domestic partner, or dependent child has a legal or beneficial interest;

(5) An investment club or similar informal investment arrangement between the employee or the employee's spouse, domestic partner, or dependent child, and others;

(6) A qualified profit sharing, retirement, or similar plan in which the employee or the employee's spouse, domestic partner, or dependent child has an interest; or

(7) An entity in which the employee or the employee's spouse, domestic partner, or dependent child individually or jointly holds more than a 25 percent equity interest.

(d) *Exemptions.* The following forms of credit are exempted from the prohibition in paragraphs (a) and (b) of this section and the disqualification requirement in paragraph (c) of this section:

(1) Revolving consumer credit or charge cards issued by insured depository institutions or insured credit unions on terms and conditions no more favorable than those offered to the general public; and

(2) Overdraft protection on checking accounts and similar accounts at insured depository institutions or insured credit unions on terms and conditions no more favorable than those offered to the general public.

(e) *Waivers.* The DAEO, after consultation with senior management in the Division in which the employee works, may grant a written waiver from the prohibition in paragraphs (a) or (b) of this section or the disqualification requirement in paragraph (c) of this section, based on a determination that participation in matters otherwise prohibited by this section would not be prohibited by law (18 U.S.C. 208) or create an appearance of loss of impartiality or use of public office for private gain, and would not otherwise be inconsistent with the OGE Standards or the CFPB Ethics Regulations.

§ 9401.109 Disqualification of employees from particular matters involving creditors.

(a) *Disqualification required.* Absent an authorization pursuant to paragraph (d) of this section, an employee shall not participate in a particular matter involving specific parties if the employee is aware that any of the following have credit with or are indebted to an entity that is or represents a party to the matter:

(1) The employee;

(2) The employee's spouse, domestic partner, or dependent child;

(3) A partnership in which the employee or the employee's spouse, domestic partner, or dependent child is a general partner;

(4) A partnership or closely held corporation in which the employee or the employee's spouse, domestic partner, or dependent child individually or jointly owns or controls more than 10 percent of its equity;

(5) A trust in which the employee or the employee's spouse, domestic partner, or dependent child has a legal or beneficial interest;

(6) An investment club or similar informal investment arrangement between the employee or the employee's spouse, domestic partner, or dependent child, and others;

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(7) A qualified profit sharing, retirement, or similar plan in which the employee or the employee's spouse, domestic partner, or dependent child has an interest; or

(8) An entity in which the employee or the employee's spouse, domestic partner, or dependent child individually or jointly holds more than a 25 percent equity interest.

(b) *Forms of credit and indebtedness exempted.* The following forms of credit and indebtedness are exempted from the disqualification requirement in paragraph (a) of this section, as long as the person listed in paragraphs (a)(1) through (a)(8) of this section is not in an adversarial position (e.g., delinquent in payments; disputing the terms or conditions of the account; subject to debt collection measures like wage garnishment; involved in any disagreement that may cast doubt on the employee's ability to remain impartial) with the entity that extended the credit or to which the indebtedness is owed, and the credit or indebtedness was offered on terms and conditions no more favorable than those offered to the general public:

(1) Revolving consumer credit or charge cards issued by insured depository institutions or insured credit unions;

(2) Overdraft protection on checking accounts and similar accounts at insured depository institutions or insured credit unions;

(3) Amortizing indebtedness on consumer goods (e.g., automobiles);

(4) Educational loans (e.g., student loans; loans taken out by a parent or guardian to pay for a child's education costs); and

(5) Loans on residential homes (e.g., home mortgages; home equity lines of credit).

(c) *Credit or indebtedness of employee's spouse, domestic partner, dependent child, or other specified persons.* An employee's disqualification under paragraph (a) of this section is not required if:

(1) The credit or indebtedness is solely the responsibility of the person listed in paragraphs (a)(2) through (a)(8) of this section; and

(2) The credit or the liability for repayment of the indebtedness is not dependent on, attributable to, or derived

from the employee's income, assets, or activities.

(d) *Authorization to participate.* The DAEO may authorize an employee to participate in a matter that would require disqualification under paragraph (a) of this section, using the authorization process set forth in 5 CFR 2635.502(d) of the OGE Standards. The DAEO will consult with senior management in the Division in which the employee works before issuing such an authorization.

§9401.110 Prohibited recommendations.

An employee shall not make recommendations or suggestions, directly or indirectly, concerning the acquisition or sale or other divestiture of a debt or equity interest of an entity supervised by the Bureau, or an entity that is or represents a party to a particular matter involving specific parties to which the employee is assigned.

§9401.111 Restriction on participating in matters involving covered entities.

(a) An employee shall not participate in a particular matter involving specific parties if a covered entity is or represents a party to the matter, unless the employee receives authorization from the DAEO. For purposes of this paragraph, a "covered entity" is a person for whom the employee is aware the employee's spouse, domestic partner, fiancé, child, parent, sibling, or member of the employee's household is serving or seeking to serve as an officer, director, trustee, general partner, agent, attorney, consultant, contractor, or employee.

(b) The DAEO may authorize the employee to participate in the matter using the authorization process set forth in 5 CFR 2635.502(d) of the OGE Standards. The DAEO will consult with senior management in the Division in which the employee works before issuing such an authorization.

§9401.112 Prohibited purchase of assets.

An employee, or an employee's spouse or minor child, shall not purchase, directly or indirectly, any real